



United States Senator  
**Richard Shelby**  
REPORTS TO ALABAMA



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**FIGHTING RED TAPE AND EXCESSIVE REGULATORY COSTS**

Our nation's federal regulatory burden, or the costs associated with regulatory compliance (costs like labor, paperwork, lost man power hours, and the like), is estimated to be approximately \$700 billion annually, with a disproportionate share of that burden shouldered by small business. That staggering amount does not include federal, state and local tax burdens that are added on as well.

What does this mean to the average American?

Regardless of your lifestyle, income level, or whether you work for a company or own your own business, you are forced to comply with what in recent years has become an endless stream of red tape and regulation—a fact that costs the average family \$6,800 per year, and at a time when the American people are already taxed at the highest rate since World War II. These hidden regulatory costs in all areas of life drain not only individual pocketbooks, but the economy overall. While some regulations may in fact make life better by improving safety, or quality of life, much of the regulatory burden is duplicative, unnecessarily costly, and rather than making life better, regulation, for many, makes life worse.

In 1996, Congress passed the Congressional Review Act (CRA) in an attempt to address this excessive regulatory problem. The CRA, a part of the Small Business Regulatory Enforcement Fairness Act, was

intended to give Congress a greater role in the regulatory process by providing the means through which to review new regulations and prevent those regulations which it deems inappropriate or inconsistent with congressional intent from taking effect.

While the CRA was hailed as a way to rein in agencies and prevent the implementation of costly rules with few practical benefits, not a single regulation has been overturned in the 18-months since the law went into effect. Instead, almost 7,408 new rules, including 110 new major final rules, have been issued since April 29, 1996. Despite the fact that this important law is on the books, it is not working. Realistically, the law cannot work without some improvement in the way unnecessary and/or duplicative regulations are targeted and measured.

Recently, I introduced legislation which I believe will enable the CRA to work as it was intended—by enabling Congress to make better use of its powers under the CRA.

My legislation would create an independent office which would operate in a manner similar to the way the Congressional Budget Office operates now. The Congressional Budget Office provides unbiased economic and budgetary analyses for the Congressional budget process, and assists Congress with the framework for all spending and tax measures. The Congressional Office of Regulatory Analysis

(CORA), created by my legislation, would analyze and review the costs and benefits of proposed agency regulations, and provide analyses of all major regulations, with the option to consider less significant regulations at the request of Congressional Committees or individual Members of Congress.

The passage of the CRA signified a tremendous step toward removing power from unelected and unaccountable bureaucrats who insist on increasing the average American's tax burden. However, little thought was given to which independent agency would handle this responsibility. Both the General Accounting Office and the Congressional Budget Office attempted to shoulder some of that responsibility, despite the fact that neither office is suited to perform regulatory analysis. Plus, the work load associated with regulatory analysis is astounding. New regulations for 1997 alone occupied more than 68,000 pages in the Federal Register. An independent office specializing in regulatory analysis is desperately needed. Not creating such an office when Congress passed the CRA was an oversight that we must correct if we intend to regain control over the bureaucratic tendency to over-regulate. We must stop the regulatory consumption of billions of hard-earned tax dollars, by accurately reviewing and analyzing each and every regulation before it takes effect.

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